

September 12, 2012

ITEM NO. C6

**AUTHORIZATION TO EXECUTE A HOUSING ASSISTANCE PAYMENTS
CONTRACT FOR LARAMIE COURTYARD APARTMENTS AND AMEND
RESOLUTION 2011-CHA-50 TO REPLACE THE DEVELOPER FOR WINTERBERRY
PLACE (FORMERLY KNOWN AS TRANSFORMATION IV)**

To the Honorable Board of Commissioners:

RECOMMENDATION

It is recommended that the Board of Commissioners approve the attached Resolution authorizing the Chief Executive Officer or his designee to 1) execute a Housing Assistance Payments Contract for Laramie Courtyard Apts.; 2) approve an amendment to Resolution 2011-CHA-50 and 3) execute all other documents as may be necessary or appropriate to implement the foregoing.

CORPORATE GOAL

The purpose of these contracts is to create more affordable housing opportunities for families in healthy and revitalizing neighborhoods by providing Property Rental Assistance (PRA) for twenty-two (22) apartments detailed below.

FUNDING: Housing Choice Voucher Program

PROPERTY SUMMARY

Development Name	Community / Ward / Alderman	Developer / Owner	Target Population	PRA Units	Total Units
Laramie Courtyard Apts.	Belmont-Cragin; 31 st Ward; Ray Suarez	Chestnut Investments, LP	Working Individuals & families	16	27
Winterberry Place	Grand Blvd. 3 rd Ward; Pat Dowell	Brinshore Development	Working Individuals & families	6	21

CONTRACT SUMMARY

Development Name	Funding	Contract Term	Contract Type	Initial Max Contract	Total Max Contract	Application Received
Laramie Courtyard Apts.	HCV Program	30 Years	HAP Contract	\$232,704/ year	\$6,981,120 (30 years)	June 6, 2012
Winterberry Place	HCV Program	30 years	HAP Contract	\$46,800 / year	\$1,404,000 (30 years)	June 28. 2012

BACKGROUND

Waiting List / Occupancy Process

It is the intent of each owner/manager at these properties to lease all of their units to eligible persons from CHA's waiting lists. Eligibility for each property includes being below 80% of AMI. CHA will refer applicants from its waiting lists (both Public Housing and HCV) as well as families whose right of return under the Relocation Rights Contract has not been satisfied. The CHA waiting list of family housing applicants will be exhausted prior to utilization of a site based waiting list.

Laramie Courtyard Apts.

Laramie Courtyard Apartments is an existing 3-story courtyard walkup located 2641 N. Laramie, between Fullerton and Diversey in the Belmont-Cragin neighborhood containing 22 spacious one-bedroom apartments, 5 two-bedroom apartments and ground floor retail.

Currently, 2 of the 27 units are vacant for immediate occupancy. Up to 14 additional units will be added to the HAP Contract for PRA assistance as units become vacant, with most units expecting to be available for PRA occupancy by early 2013.

The owner/developer of the property is Chestnut Investments, LLC, an entity formed for the project, and is a wholly owned subsidiary of Property Markets Group. PMG is a real estate private equity firm established in 1991 headquartered in New York and is headed by Kevin Maloney. PMG owns over \$3 million in real estate assets in New York, Illinois, Florida, South Carolina and the Caribbean. Development financing will be provided solely from PMG.

Winterberry Place

Winterberry Place (formerly known as Transformation IV) is the substantial rehabilitation of a three-story walkup containing 7 one-bedroom, 9 two-bedroom and 5 three-bedroom units located at 4800 S. Calumet Ave. In February 2011, the City of Chicago committed \$5.2M in Neighborhood Stabilization Funds to VLV Development to rehab the property. Subsequently, the CHA Board of Commissioners approved a resolution in April, 2011 to provide PRA assistance for 8 units in the development with VLV Development. However, prior to the financial closing VLV went out of business has been replaced by the City with Brinshore Development to fulfill the same development plan with 6 PRA units.

Brinshore Development, LLC is a private firm specializing in the development of mixed-income housing founded in 1993. Brinshore's principals are David Brint and Richard Sciortino each of whom has extensive expertise in all aspects of real estate development. Brinshore has completed more than 35 tax credit projects totaling over 3,000 apartments and homes with a diverse portfolio, including properties for low to moderate income families, seniors and a mix of market rate units.

Conclusion

The Board action recommended in this item complies in all material respects with all applicable Chicago Housing Authority board policies and all applicable federal (HUD) procurement laws.

The Acting Chief Housing Officer concurs with the recommendation to execute Housing Assistance Payments contracts for Laramie Courtyard Apts. and Winterberry Place.

The CEO/President recommends the approval to execute Housing Assistance Payments contracts for Laramie Courtyard Apts. and Winterberry Place.

RESOLUTION NO. 2012-CHA-73

WHEREAS, the Board of Commissioners of the Chicago Housing Authority has reviewed the Board letter dated September 12, 2012 requesting authorization to execute Housing Assistance Payments contract for Laramie Courtyard and approve a technical amendment to Resolution 2011-CHA-50;

THEREFORE, BE IT RESOLVED BY THE CHICAGO HOUSING AUTHORITY:

THAT, the Board of Commissioners authorizes the Chief Executive Officer or his designee to 1) execute a Housing Assistance Payments Contract for Laramie Courtyard Apts.; 2) approve a technical amendment to Resolution 2011-CHA-50 to replace the developer for Winterberry Place (formerly known as Transformation IV) and 3) execute all other documents as may be necessary or appropriate to implement the foregoing.

